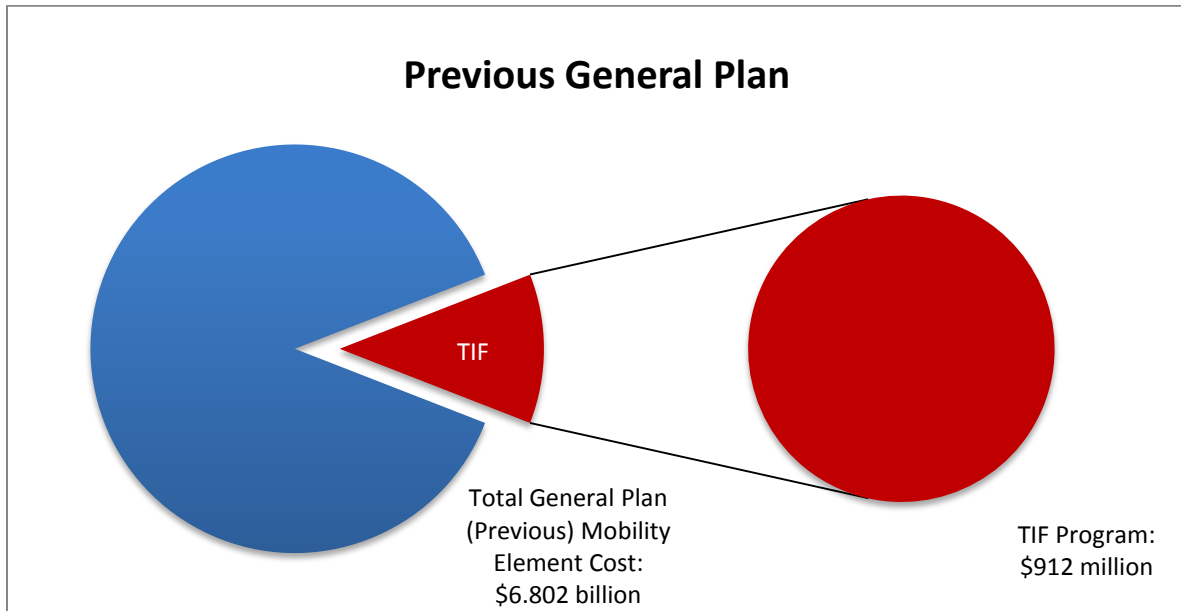


TIF Update 2012

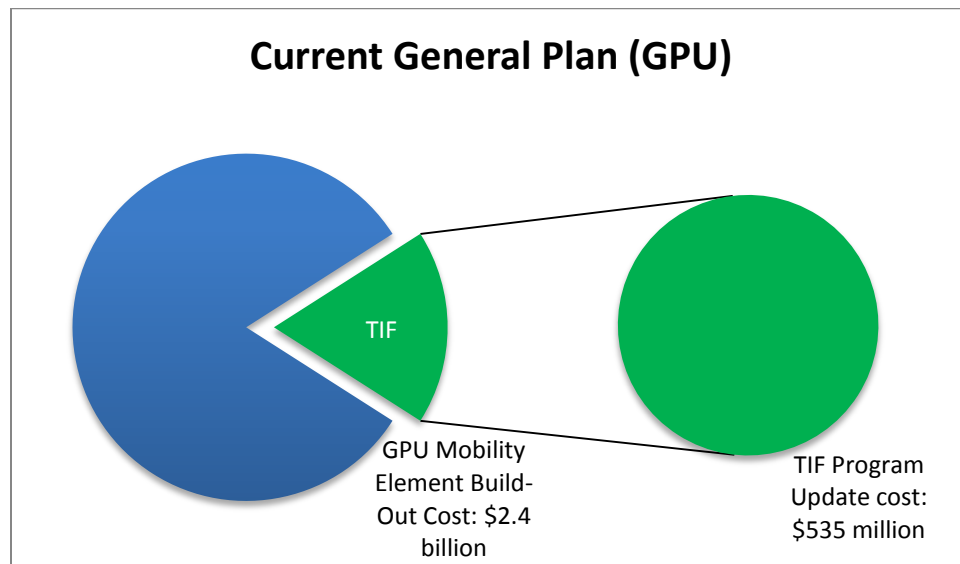
Board adopted General Plan primary reason for TIF Update

- Land Use changes (reduction in buildout densities)
- Mobility Element changes (deletion and downgrading of ME roads, LOS E/F acceptance results in lower future road improvement infrastructure costs)



Other TIF Update objectives

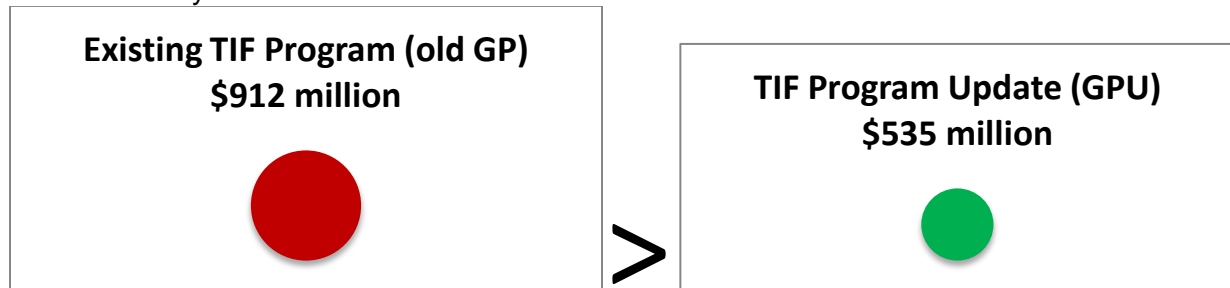
- Analyze opportunities for cost savings (i.e. lower fees)
- Maintain mitigation mechanism for cumulative traffic impacts attributable to future County growth - consistent with California Environmental Quality Act (CEQA)
- Maintain RTCIP/TransNet Ordinance compliance (\$2,123 per residential unit) & TransNet fund eligibility (\$12M+ annually)



Program costs are draft and subject to change until final BOS approval

Program Cost Comparisons

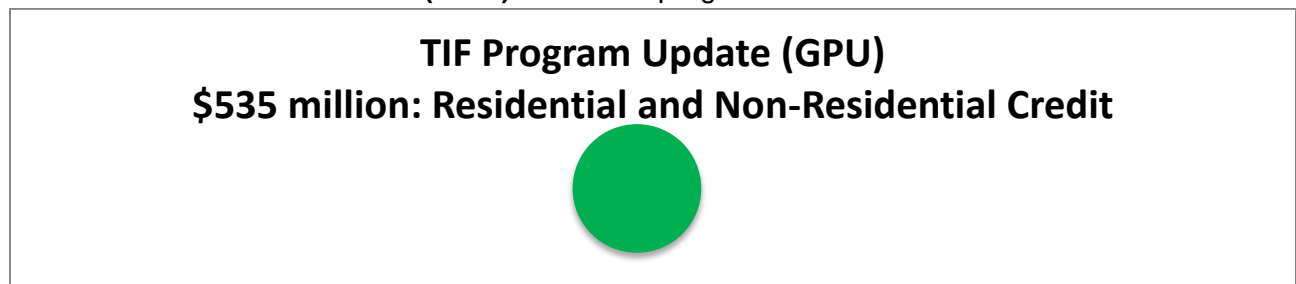
Existing TIF Program (Res credit only): \$912 million (in 2012\$) = costs to construct/improve all TIF roadway facilities



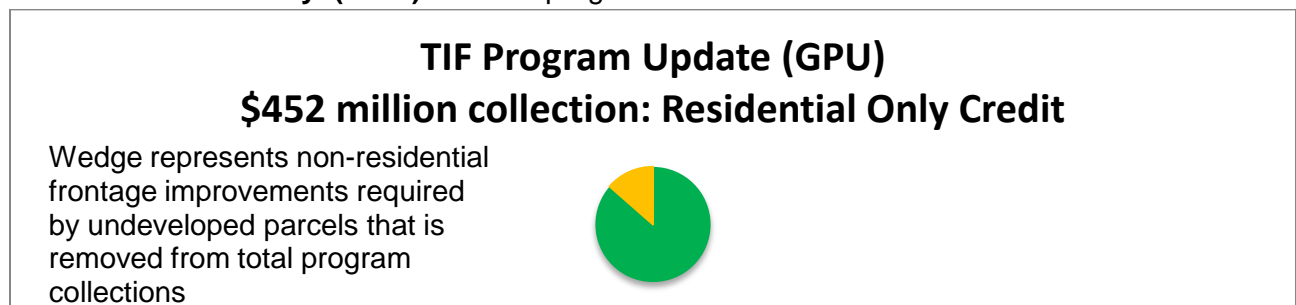
TIF UPDATE PROGRAM OPTIONS

The TIF Update program options vary primarily based on the type of credit developers can receive. Developers can be eligible for direct fee payment offsets that accounts for their TIF roadway improvements costs (in Res & Non-Res credit) or the estimated costs from developer TIF frontage/onsite improvements are subtracted from the program costs resulting in lower fees (Built in).

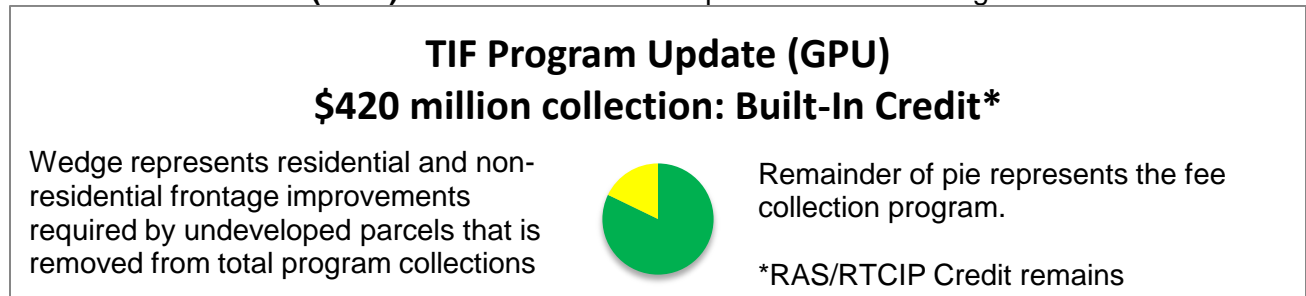
- **Res & Non-Res Credit (-42%):** Pre-2008 program format



- **Res Credit only (-51%):** Current program format



- **Built In Credit (-54%):** Lowest fees of three options for all LU categories



- (All options include \$150M in total RTCIP fee collection):

Program costs are draft and subject to change until final BOS approval

TIF is...	TIF is not...
<ul style="list-style-type: none"> • Mitigation for cumulative impacts 	<ul style="list-style-type: none"> • Available to mitigate direct impacts
<ul style="list-style-type: none"> • CEQA compliant 	<ul style="list-style-type: none"> • Funding for existing LOS deficiencies
<ul style="list-style-type: none"> • Mitigation Fee Act compliant 	<ul style="list-style-type: none"> • Funding for non-Mobility Element roads
<ul style="list-style-type: none"> • A simple fee payment alternative to costly studies and expensive physical mitigation for cumulative impacts 	<ul style="list-style-type: none"> • Funding for Interstates or roadways outside the County's jurisdiction
<ul style="list-style-type: none"> • A fair-share portion of future growths contribution for build-out of the Mobility Element 	<ul style="list-style-type: none"> • General Road Funding source
<ul style="list-style-type: none"> • Combined with other funding sources (Gas Tax, TransNet, etc) to complete network improvements 	<ul style="list-style-type: none"> • Road resurfacing or maintenance funding source
	<ul style="list-style-type: none"> • Full funding for all future road network costs

RTCIP implications: The substantially reduced program costs have resulted in lower fee rates when compared to the current program. However, that has caused residential rates in several communities to fall below the minimum \$2,123 RTCIP fee especially for multi-family homes.

Insuring RTCIP compliance and TransNet eligibility will require a separate RTCIP fee collection.

Program features

- Incorporates vehicle miles of travel (VMT)
- Incorporates "smart growth" incentive for development within defined Village areas
- Includes reduction for assumed right-of-way dedications
- Excludes facilities attributable to external growth and regional through trips
- Incorporates detailed facility cost information, if available
- Accounts for existing TIF Program fund balances
- Includes prior program facility commitments

Future Steps

- External stakeholders meetings
 - February and March
 Detailed Documents at <http://www.sdcounty.ca.gov/dpw/land/tifupdate2012.html>
- Tentative Board of Supervisors First Hearing date June 27, 2012
 - Three (3) program options for Update Consideration
 - If guidance provided, return in 90 days with Draft Final Ordinance and Program

Program costs are draft and subject to change until final BOS approval

Additional Background Information

The TIF is intended to fund identified transportation facilities, or portions thereof, needed to mitigate the cumulative traffic impacts of future development. Other revenue sources are required to fund existing network deficiencies or portions of capacity not attributable to new growth.

The potential sources of this additional revenue include:

- Gas Tax (distributed by CA state formula)
- TransNet (1/2 cent sales tax, administered by SANDAG)
- Other State and Federal Grant monies
- Special Assessment Districts

Current TIF Account Structure:

Local
Regional
Ramps

Proposed Update Structure:

Local
Regional
State Routes/Ramps
RTCIP

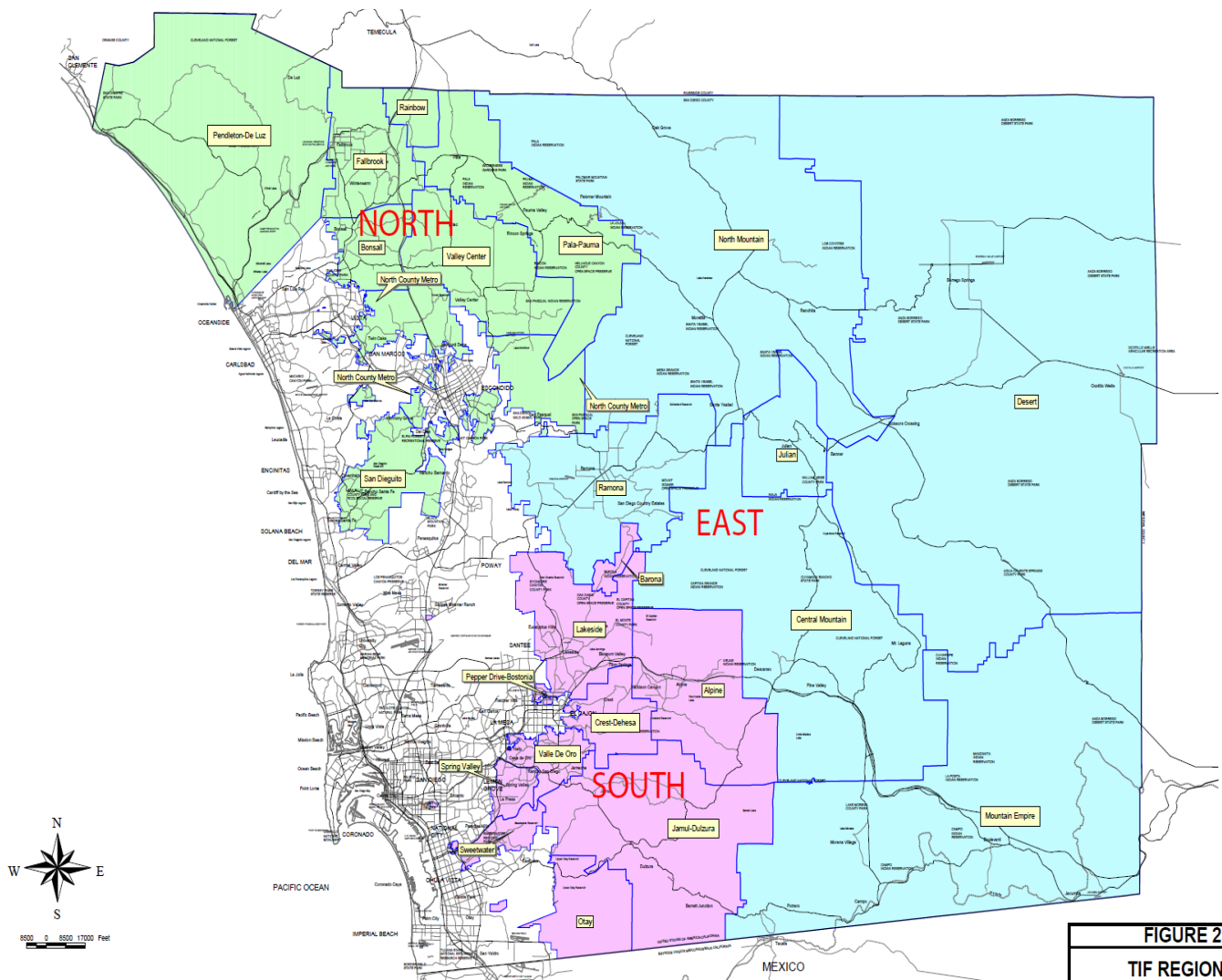


FIGURE 2
TIF REGIONS

Program costs are draft and subject to change until final BOS approval